

WINNING BIG WITH PARTNERING

**2005 Arizona Transportation
Partnering Event
Phoenix, Arizona
December 7, 2005**

by Bob Templeton
NPHQ





- Continue Quest to Improve Quality of Delivered Highways and Customer Service
- Keep Moving Toward Where We Need to Be
- Keep Carrying the Flag
- Searching for Rallying Slogan
 - Transparent Work Zones
 - No Construction Delays
 - Zero Work Zone Accidents/Fatalities



- Why? Current Conditions are Unacceptable
 - 167,566 Deficient Bridges
 - According to 2002 FHWA Condition Report
 - Only 43.5 % of Total System Pavement is in good condition
 - 86 % is in Only Acceptable Condition
 - In 2003, VMT Was 2.88 Trillion
 - In 2003, Total of 231,390,000 Registered Vehicles
 - In Last 10 Years, Little Capacity Added



● More Reasons

- In 2003, 43,220 Deaths on Nations Highways
- 1999-2003, Work Zone Fatalities Increased from 872 to 1,028
- In 2003, Half Occurred in Day Time
- 230 Fatalities Involved Large Trucks
- Over Two-Thirds occurred on Week Days
- Most Occurred in Summer Months
- 41,000 Injuries Occurred in Work Zones



- More Reasons

- Aging highway system
- Agencies down-sized to sub-minimum staff levels
- Hurting for experienced personnel due to retirement programs
- Using strategies for improving quality that have delivered about all they can
- More demanding customers/highway users
 - Reduce Construction Delays
 - Safer Work Zones
 - Reduce Congestion
- Needing new innovative strategies

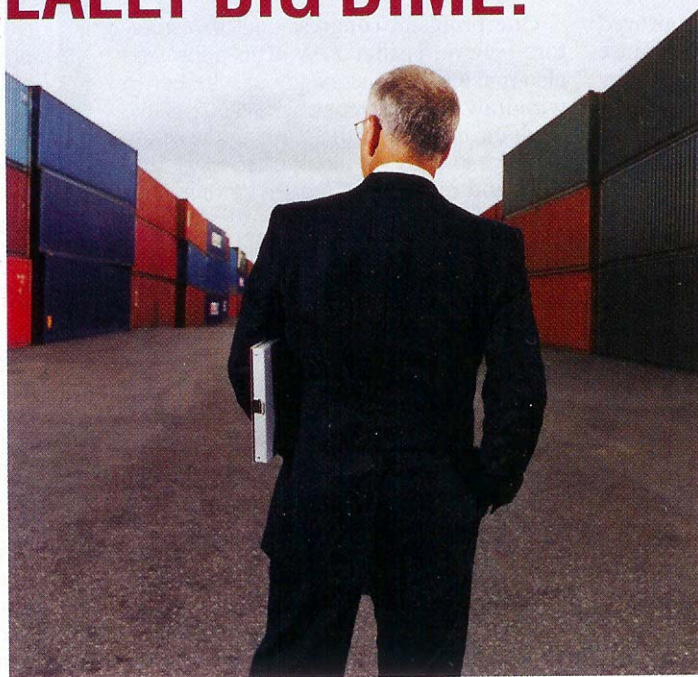
**"INNOVATIVE THINKING?
WE DON'T EVEN HAVE TIME
FOR BAD THINKING."**



ChevronTexaco

Energy Services

**“WE CAN TURN ON A DIME.
IF IT’S A REALLY,
REALLY BIG DIME.”**





- Changes in Highway Business Are Occurring
 - Design/Build Contracts
 - Warranty Contracts
 - Lump Sum Contracts
 - Best Value Bidding
 - More QC/QA moving to contractors
 - Incentives
 - Performance Specifications
 - Heavy Public Involvement
 - Toll Roads
 - Public/Private Partnerships
 - Private Highways
 - Intercity Passenger Rail

Corridor to get private jump-start

Consortium will build \$6 billion alternative to I-35 at no cost to state

By Ben Wear

AMERICAN-STATESMAN STAFF

The Texas Transportation Commission agreed Thursday to let a private consortium build a \$6 billion turnpike from San Antonio to north of Dallas, all without costing the state a dime.

The companies will throw in \$1.2 billion for other state transportation projects as part of the 50-year deal.

The long-term partnership with the consortium, led by Spanish toll road operator Cintra Concesiones de Infraestructuras de Transporte SA and San Antonio-based Zachry Construction Corp., is at once shockingly new for Texas and historically familiar.

Spaniards, after all, built the first road in Texas, El Camino Real, about four centuries ago, some of it in the same corridor where Interstate 35 now lies and where Cintra and its partners would start the turnpike. But handing over a major state highway project to private operators, this in a state that could

Proposed Trans-Texas Corridor
(2002 concept)



Source:
Texas Department of Transportation
AMERICAN-STATESMAN

On statesman.com: More coverage of the I-35 corridor at statesman.com/corridor.

not even build toll roads until recent years, breaks new policy ground.

"When our hair is gray, we will be able to tell our grandchildren that we were in a Texas Department of Transportation meeting room when one of the most extraordinary plans was laid out for the people of Texas," Gov. Rick Perry said of this first piece of his 4,000-mile Trans-Texas Corridor plan. "I hope

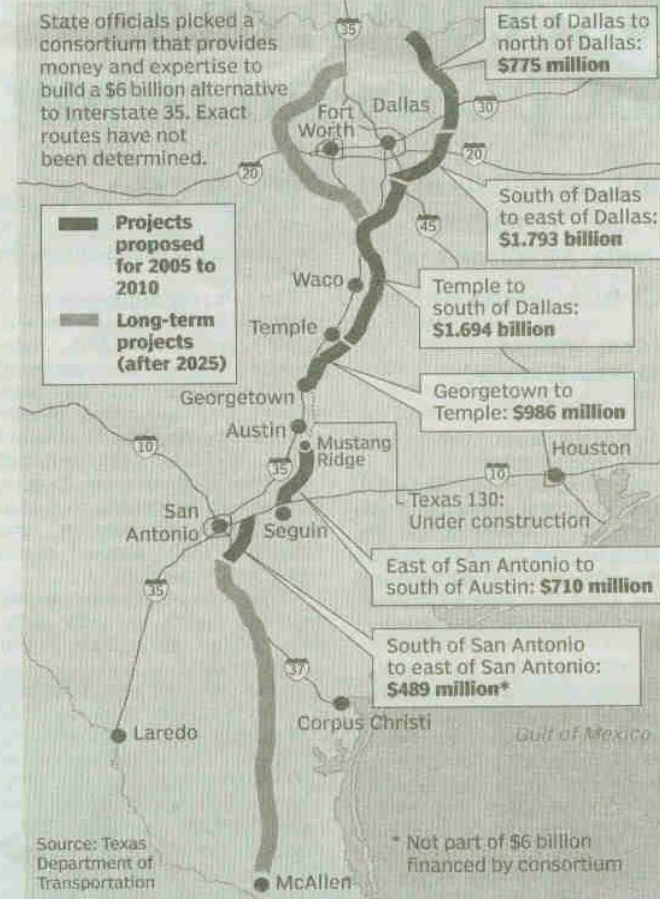
See ROAD, A6

Toll road proposal for Interstate 35 corridor

State officials picked a consortium that provides money and expertise to build a \$6 billion alternative to Interstate 35. Exact routes have not been determined.

Projects proposed for 2005 to 2010

Long-term projects (after 2025)



Source: Texas Department of Transportation

* Not part of \$6 billion financed by consortium

Robert Calzada AMERICAN-STATESMAN

ROAD: State hopes to finalize contract within two months



- National Quality Initiative
 - Formed Nov. 10, 1992
 - Four Regional Meetings 1993
 - Numerous State Quality Initiatives Formed
 - Many Have Gone Back to Business as Usual
 - Distrust
 - Little Communication
 - Limited Cooperation
 - Adversaries



- NPHQ Current Principal Activities
 - Work Zone/Traffic Safety
 - Work Force Training
 - NHI Panel to Guide Development of Partnering Course
 - Promoting NPHQ/NHI Training Course on Highway Quality
 - Sharpen Talent of Highway Personnel
 - Communications
 - News Stories on Quality
 - Partner Articles
 - Awards Winners
 - Best Practices
 - Innovations/Successes
 - Awards
 - National Achievement Award
 - Making A Difference Awards
 - Recruiting Industry Firms as Members
 - Working with FHWA on Special Projects
 - Work with SCOQ to Keep Programs in Sync
 - A **State Quality Partnership (SQP)** in Every State by 2008
 - SQP Accreditation (Tier 1 and Tier 2) by NPHQ



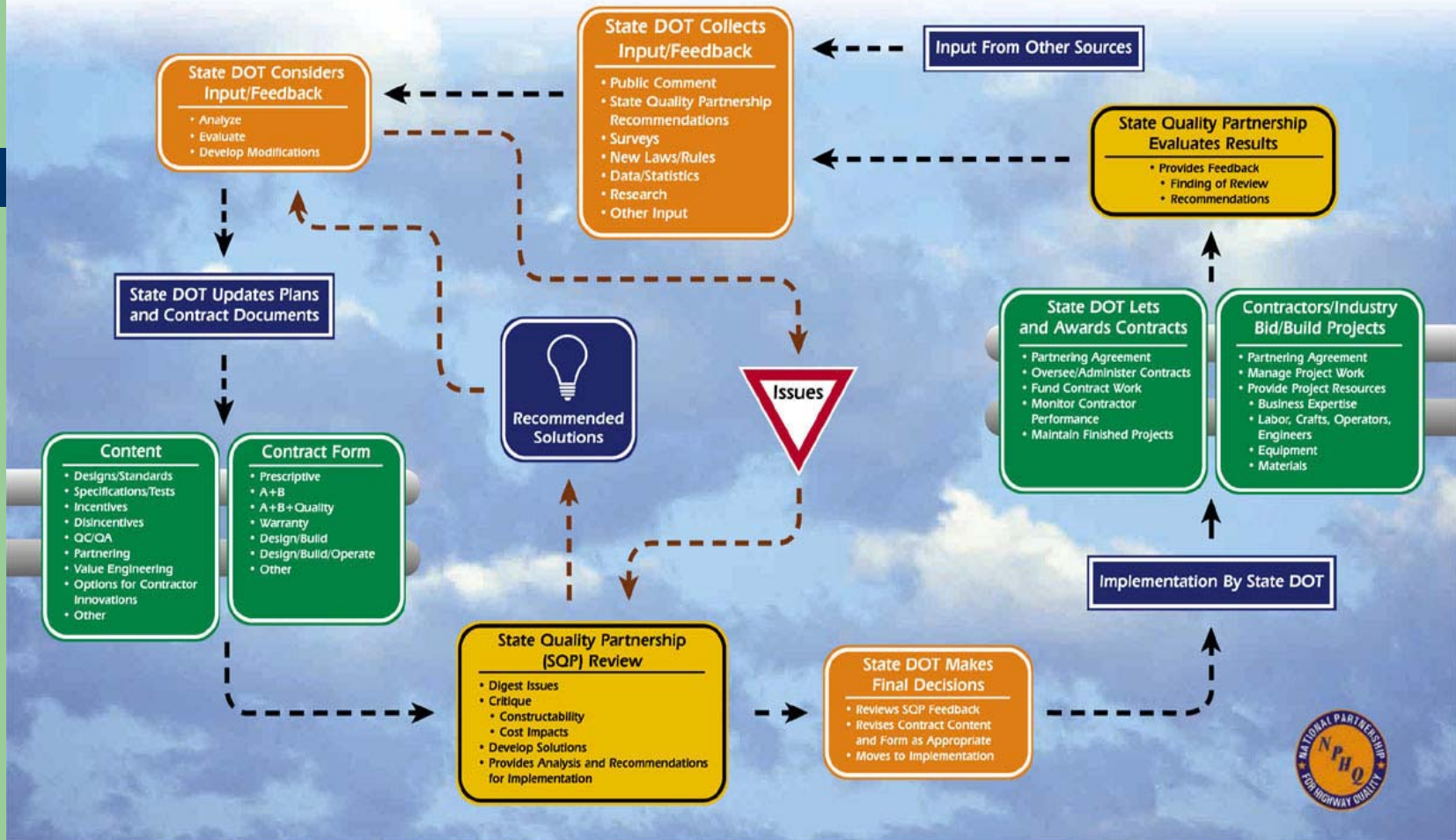
- Number One Goal
 - An SQP in Every State by 2008
 - Why?



- SQP – State Quality Partnership
 - What is an SQP?
 - How is it organized?
 - What Does it Do?
 - How Does it Work?

NATIONAL PARTNERSHIP FOR HIGHWAY QUALITY

Diagram for Continuous Improvement of Highway Quality





- Partnering
 - What does it do?
 - How does it work?
 - What are its benefits



- What is partnering? How does it work?
 - A process whereby public and private sector stakeholders in a highway project come together to adopt the spirit of teamwork; to embrace trust, cooperation, commitment, mutual problem solving, and concern for the equity of each stakeholder; and to focus on providing for the public good of highway users, and
 - An ethical manner of doing business founded on individual integrity.



- Benefits of partnering
 - Turn adversaries into teams
 - Synchronizes different agendas
 - Solve problems timely and avoid delays
 - Resolve issues and avoid after-job claims
 - Reduce construction time
 - Encourage and implement innovative ideas
 - Achieve new levels of quality
 - Make the work enjoyable
 - Deliver optimum quality/service to the highway user
 - Enable teams to win awards



● Benefits of Partnering

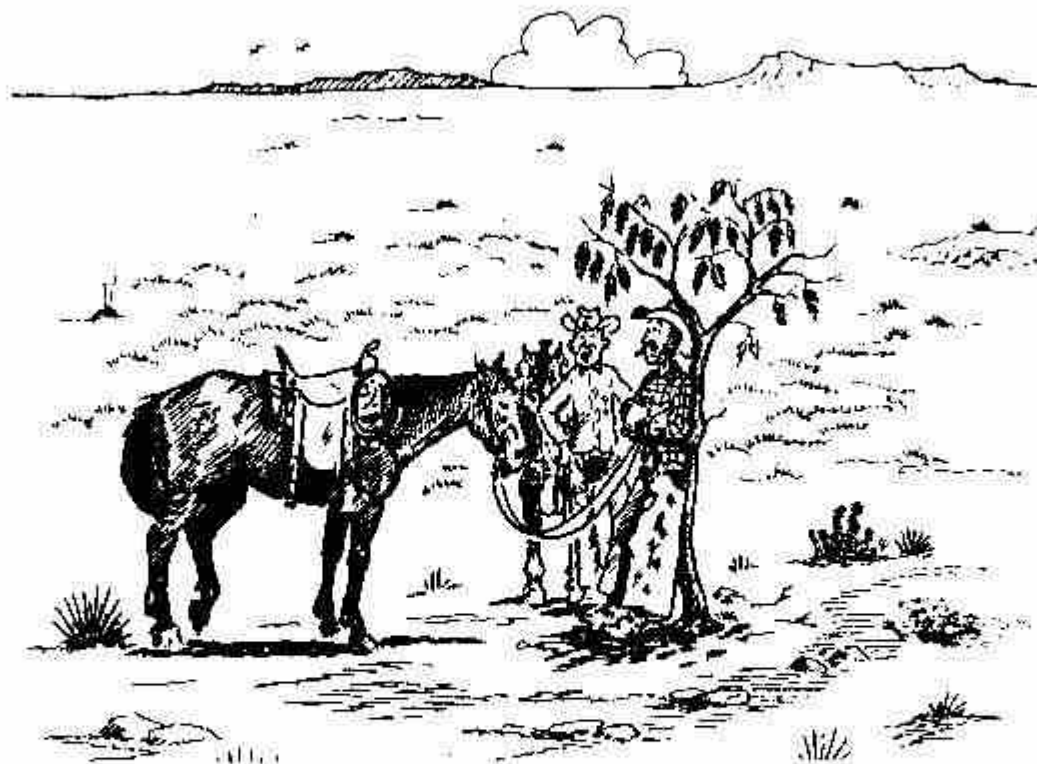
- There has never been a truly partnered project that did not achieve better results than it would have, had it not been partnered.
- NEVER!
- NEVER WILL BE.



- Highways are most important U.S. Infrastructure
- The U.S. Highway program is a business that has paying customers....the highway user
- **Public agencies** and **private industry** are a **team** to **deliver highways** for **public good**
- Highways have become ubiquitous
- Technical competence and methods specifications with inspection and testing have been/are our major focus for quality



- **If better is possible, good is not enough.**
- Can we do better? Absolutely.
- Have we been trying. Most definitely.
- By what strategies?
 - Strengthening specifications
 - Improving test methods
 - More inspection
 - Better materials
 - Better equipment
 - Research
- Have we exhausted these strategies
 - Perhaps. Gains are stabilizing/diminishing



"Yeah, I know shade's the best place to find cows
in the heat of the day, but this is the only tree
on the outfit, an' they ain't here!"



- What does the paying customer, the highway user, want?
 - Good roadways
 - Always available....24/7
 - Safer.....reduced number of injuries and deaths
 - Fewer construction and maintenance work zones
 - Faster delivery of highway work
 - Better operations, ITS benefits, less congestion



- What is missing in highway business today that would revolutionize the business and address the customers interests?
 - Would allow States to do what they do better?
 - Would produce better quality projects?
 - Would reduce construction time duration?
 - Would provide better return on tax dollars?
 - Would greatly benefit highway users?
 - Would net higher profit to contractors?



- What is the missing element that could revolutionize the highway business?

Customer
Focused
Teamwork



- Customer Focused Teamwork
 - Founded on integrity, respect, and trust
 - Reinforced by commitment to team and project
 - Honor bound
 - Ethical concern for partner's equity in project
 - Providing for the public good
 - Producing excellent quality highway work
 - Making projects cost less and more profitable



- Major Deterrent

- We have inherited a culture that is founded on distrust
- It divides our respective attentions between building quality highways and protecting our separate interests.



- Inherited Culture is founded on distrust
 - **Contractors.** Take yourself and all your supervisory staff off your project and let the DOT project personnel use your crews, equipment, and checkbook to build the project. You get paid according to the bid prices and provisions in the contract.
 - **DOT.** Remove all your project personnel and rely totally on the contractor to deliver the project specified in the plans and contract. You pay according to the bid prices and provisions in the contract.



- Public School Experiment with a Third Grade Class and the Teacher

2005 ROSE BOWL

Texas 38

Michigan 37

Who won?



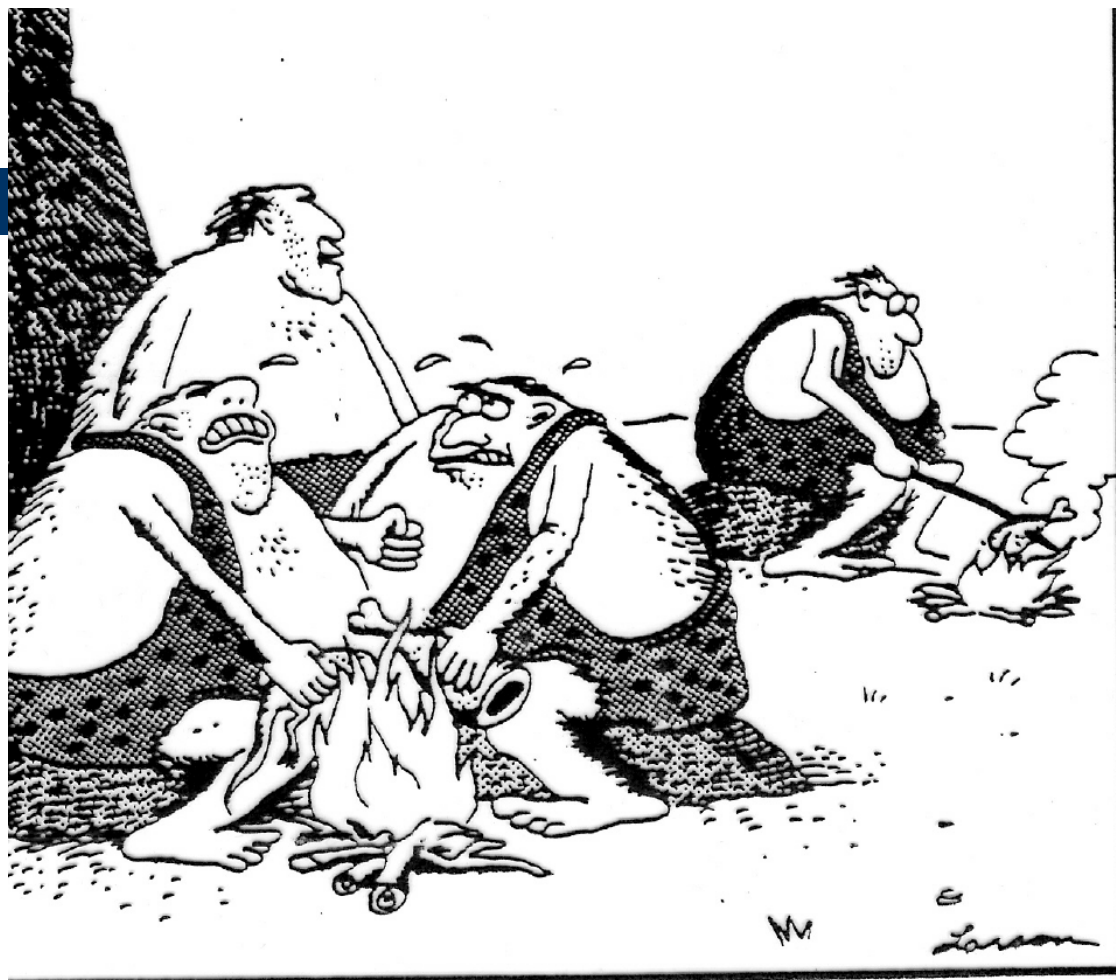
- State Highway Quality Partnerships (SQP)
 - Serve as an incubator and an advocate of quality team work and mutual trust by the public agencies and private industry stakeholders
 - Synergize collective expertise and resources of the participants
 - Create partnering at the statewide highway program level
 - Drive Partnering at the project level
 - NPHQ Accreditation gives credibility



- **State Highway Quality Partnerships** work to help all program stakeholders win
- **Partnering** works to help all project stakeholders win



- Learn from networking with other state highway agencies and industry firms as is being done during this meeting.



“Hey! Look what Zog do!”



- Move from “ad hoc” Examples of Excellence to Standard Practice
- Leap ... Not Creep Forward
- State Quality Partnerships
- Partnering



- UPS advertisement in February, 2005 issue of Money magazine:

“We don’t synchronize deliveries. We synchronize companies.”



- **State Highway Quality Partnerships** synchronize public agencies and private industry in delivering a customer-focused highway program.
- **Partnering** synchronizes DOT personnel and private industry personnel in delivering a customer-focused highway projects.



- State Highway Quality Partnerships
- Partnering
 - Customer-Focused State Highway Program
 - Customer-Focused Contracts/Projects
 - Customer-Focused Project Delivery Teams
 - Customer-Focused Teamwork

WHO WINS?



- If we keep doing what we're doing, we're going to keep getting what we're getting.

--- Stephen R. Covey

- Not necessarily.

--- Bob Templeton



- If you believe, be a leader
 - Champion continuous improvement in highway quality
 - Work to make an SQP in your State a reality and to be the most effective body of its kind among all States
 - Insist that Partnering be implemented on you project(s)
 - Espouse a philosophy (*If better is possible, good is not enough*)
 - Adopt a vision (*Customer-focused projects/Customer-focused project delivery teams/Customer-focused teamwork*)